

CENTRAL INTELLIGENCE AGENCY  
National Foreign Assessment Center  
19 October 1978INTELLIGENCE MEMORANDUMJapan: Trends in Defense Policy

Popular attitudes toward Japanese security policy--a subject of partisan debate and sharply differing views throughout the 1950s and 1960s--are gradually shifting toward wider support for Japan's limited defense program. Several factors have underwritten the trend, but much of the movement is due to a conscious government campaign to build a more realistic climate and broader consensus on the Japanese military effort. Tokyo's decision to adopt a higher profile on defense issues has helped smooth the way for a number of long range projects to modernize the armed forces; it has also enabled the government to advocate more vigorously closer cooperation with the US--a key theme in overall Japanese policy. In doing so, however, Tokyo has carefully reaffirmed the political and economic restraints on Japanese defense, which will continue to limit the scope of the defense program well into the 1980s.

The Changing Domestic Climate

Japan's changing domestic climate on defense stems

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a variety of developments since the early 1970.

- The end of direct US involvement in Vietnam removed a major focus for political opposition to the US-Japan defense relationship and diminished domestic apprehension that Japan could be drawn into a wider Asian conflict.
- Peking's endorsement of the US-Japan Mutual Security Treaty, and its support for the limited Japanese defense program, allayed concern that Tokyo's defense ties would impede Sino-Japanese normalization, and perhaps involve Japan in a military conflict with China.
- The reversion of Okinawa lowered the US profile in Japan, while the consolidation of US bases elsewhere in the country has removed targets for opposition party criticism of the US military presence.
- Following the fall of Indochina, renewed tensions on the Korean peninsula and plans for US ground force reductions in South Korea have redirected Japanese attention to the implications of further US retrenchment in Asia.
- Finally, the gradual growth in popular support for both the Self Defense Force and the Mutual Security Treaty, and the recent shifts by the moderate opposition parties favoring the bilateral defense relationship, have given the government new political leverage on security issues.

In themselves, these developments have fostered an expanded dialogue on defense, but the government's effort to influence public opinion has also shaped the trend toward more realistic discussion of security issues. Over the last several years, Tokyo has capitalized on the shift in popular attitudes by adopting a two track approach--reaffirming the political limits on security policy, while pushing for wider backing for Japan's defense program.

Mindful of the sensitivities that still surround defense policy, Tokyo has emphasized the basic political restraints which continue to circumscribe its defense effort. In the Diet and elsewhere, government spokesmen have highlighted Japan's three non-nuclear principles--no manufacture, possession or introduction of nuclear weapons in the country--and its subscription to the Nuclear Non-Proliferation Treaty as national policy; underscored the responsibility of the National Defense Council, the cabinet-level body that formally approves all defense policies, for firm civilian control of the military; and, reaffirmed Tokyo's limit of one percent of GNP for annual defense spending.

At the same time, Tokyo has used its confirmation of these restraints as underpinning for a campaign to enhance public awareness of security issues generally and build support for Japan's defense policy. In its last three defense white papers, policy statements accompanying the annual defense budgets and other public forums, the government has:

- stressed the need for qualitative improvements in the Self Defense Force including procurement of a new first-line fighter, anti-submarine patrol aircraft and airborne early warning system;
- explicitly identified priority areas for upgrading military capabilities such as air and straits surveillance, readiness to deal with small scale incursions, and the capability for expansion and reinforcement;
- and, emphasized enhancing consultations with the US as a means to promote more effective bilateral defense cooperation.

The government has also endorsed the creation of several new bodies to institutionalize defense discussions, including a civilian advisory panel on security policy, a special Diet committee and, semi-official policy research organizations.

### The US Connection

Tokyo's decision to highlight publicly the value of expanded defense consultations with the US is a notable modification in Japanese defense policy. Attempts to forge a government consensus underwriting the idea apparently took hold in mid-1975 when then Defense Agency Director Sakata won a general agreement to expand the mechanisms for joint consultation under the Mutual Security Treaty. The process clearly benefited from the political interest focused on security affairs in the wake of the Indochina war and from the government's success in defending the concept during a wide-ranging debate in the Diet over security policy.

Defense Secretary Schlesinger's trip to Tokyo in August 1975 in which he expressed understanding of the limits on Japan's defense policy--including the fixed ceiling of one percent of GNP for military spending--subsequently helped Sakata's case. Opponents, for example, could no longer argue that a closer working relationship with the US would inevitably lead to heightened US pressures for accelerated Japanese military spending beyond the bounds of Tokyo's traditional guidelines.

As important, the general swing in popular attitudes toward support for the bilateral defense tie with the US has diminished the prominence of the Mutual Security Treaty as a political issue. All the moderate opposition parties have endorsed Japan's security connection with the US, while even the Socialists--the largest opposition party--have muted their criticism of the alliance. Moreover, the moderate opposition parties' desire to portray themselves as responsible partners for the Liberal Democrats in the wake of the ruling party's decline at the polls has buttressed their new support for the security pact.

### Some Policy Shifts

Tokyo's higher profile has revealed some shifts in official defense policy. Over the last few years, for instance, the government's decision to argue for "qualita-

tive" improvement in the Self Defense Force--that is, modernizing rather than expanding the military--has amounted to formal recognition that the prospects are limited for real growth in the defense establishment.

Since the early 1970s in particular, the military's fixed share of national resources and rising personnel and weapons costs have compelled Tokyo to scale back its defense plans. Japan's fourth, and final, five-year Defense Build-Up Plan ended well short of its overall goals in 1977; since then, defense officials have remained under pressure to hold down general spending in order to channel their limited resources to uncompleted capital equipment programs.

This year, Japan's \$7.9 billion defense budget includes initial funding for the acquisition of the new F-15 fighter and the P3C anti-submarine patrol aircraft. Both programs had been delayed for several years despite the need to upgrade the two weapons systems largely because of budget problems and, in the case of the Lockheed P3C, the lengthy political scandal in 1976.

Under present budgetary constraints, Tokyo is faced with an ambitious military procurement schedule. With defense spending held to 0.9 percent of GNP, nominal outlays will increase only 12.4 percent in FY 1978--a 5 to 6 percent rise in real terms. The lion's share of this increase will probably be allocated to higher personnel costs and cost overruns on existing programs. The JDA's preliminary budget for FY 1979 is likewise targeted at about a 12 percent growth in spending. That goal may well be pared down somewhat by the Finance Ministry--the 12 percent increase would bring the FY 1979 defense budget to about \$10.8 billion--although the priorities favoring the air and maritime services in the package are certain to remain intact. Like this year, Tokyo's preoccupation with public works spending designed to spur economic growth will probably continue to force defense outlays down as a share of the government's total budget--a trend evident since the early 1970s.

The government is also certain to continue pushing for some added flexibility in the political restraints on defense policy. Earlier this year, Japanese officials successfully defended the view in the Diet that constitutional limits requiring that Japan possess "defensive" military weapons only must be interpreted in light of changes in technology and international conditions. This tactic, which was used to justify the decision to purchase the F-15 and P3C, is likely to give the government more latitude to support buying new weapons in the future. Such efforts will undoubtedly be accompanied as well by publicity to broader trends, like the recent official focus in the latest defense white paper on the growth in the Soviet naval presence in the North Pacific, to reinforce the case for upgrading Japan's military capabilities.

Even so, defense officials will tread lightly on any initiatives that threaten to unsettle their progress in widening the political consensus on defense policy. As a case in point, Prime Minister Fukuda and other government leaders have carefully modulated their approach to new legislation covering emergency military operations by Japanese forces. The topic was spotlighted by the former chief of the JDA's Joint Staff, General Kurisu, last summer when his outspoken remarks favoring wider discretion for the military in emergencies led Fukuda to remove him from office. Although the government did pursue the issue in the Diet and expedited a JDA study on the subject, broad gauge criticism from the militant opposition parties--and uneven support from the moderate reformists--prompted Fukuda and other government leaders to emphasize that they would not push for significant changes, nor rush their study to conclusion, this year.

#### The Future

The wider public dialogue has allowed Tokyo to treat defense issues with more candor than in years past. Indeed, Japanese officials may well see some opportunities in the future to link defense topics with other policy concerns that have obvious security implica-

tions for Tokyo, although so far the government has made only tentative moves to do so.

Over the last year, for example, Tokyo has responded to widespread--and genuine--popular uneasiness about US ground force withdrawals from South Korea by spotlighting the importance of a US forward presence in Asia to regional stability and the value of close defense cooperation with the US. As in the past, however, Tokyo has avoided any suggestion of a direct tie between Korean security and Japan's own defense planning, given the domestic contention that always surrounds Japanese-Korean relations and the political pitfalls in even alluding to a military role for Japan in the region.

At this point, the prospects are good that the government's campaign will guide public discussion toward further support for Japan's limited defense program and mutual security ties with the US. Popular acceptance of a greater Japanese financial contribution to the maintenance of US military facilities in Japan, for example, has enabled the government to manage the cost sharing issue effectively in the Diet. It should likewise help out later this year when defense officials begin more intensive lobbying of the moderate opposition parties--which for the most part have responded positively to the concept--to support the cost sharing elements in the FY 1979 budget.

Moreover, Tokyo's willingness to promote a broader US-Japan dialogue, taking into account Japanese plans for technological improvements in their own forces, should enhance the effectiveness of the defense relationship. Defense planners in Japan regard fashioning a more complementary relationship between US and Japanese forces as one of their primary goals and their effort at improving both air defense and anti-submarine capabilities is likely to bring progress in that direction.

The changes that can be discerned in Japanese defense policy are the result of several significant events which have helped reshape Tokyo's perception of its international security environment in the last few years. Given the

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overall impact of these events in Asia--and the gradual nature of Tokyo's own response--it is likely, however, that further shifts in Japanese policy will continue to be incremental and essentially modest.

Overall, the growth of the Self Defense Force will also remain circumscribed by the share of national resources devoted to defense as well as by Tokyo's fundamental adherence to the political restraints that underwrite the popular consensus on Japanese security policy. Indeed, assuming a 6 percent real growth in GNP in 1979 and 1980--roughly the government's long term plan--average annual defense outlays in constant prices could increase \$500 million at most even if Tokyo boosts defense spending to one percent of GNP from its present 0.9 percent level.

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MEMORANDUM FOR:

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*S-ONLY*

This memo was done for Mike Armacost and is an updated version of a previous memo that was sent to you.

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Date 20 Oct. 78

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